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DEPT FOR NEA/RA

E.O. 12958: N/A
TAGS: [KBCT](#) [PHUM](#) [AL](#) [ABLD](#) [ECON](#) [AMGT](#) [ASUP](#) [AFIN](#) [PREL](#) [LY](#)
SUBJECT: LIBYA: SECTION 565 WAIVER OF PROHIBITION AGAINST CONTRACTING
WITH FIRMS COMPLYING WITH AL BOYCOTT

REF: A) STATE 166398, B) 06 TRIPOLI 623, C) TRIPOLI 972

11. (SBU) The Government of Libya (GOL) does not maintain diplomatic relations with Israel. Local firms are required by national law to comply with the boycott, and would therefore not be able to sign the required U.S. certification without exposing themselves to civil and/or criminal penalties. Post accordingly requests a waiver of of the Arab League boycott certification.

12. (SBU) Post continues to raise the Arab League boycott issue in its meetings with the Ministry of Foreign Affairs and the Ministry of Economy and Trade. Most recently, in the fall, the Charge' pressed the MFA's Secretary for the Americas on the issue, noting that AL boycott language in Libyan contracts would undermine GOL efforts to attract U.S. business. The MFA official replied that the GOL and private entities are compelled by Libyan law stemming from the AL resolution to include language requiring compliance with the AL boycott

13. (SBU) The Ministry of Trade and Economy informed Post that the GOL does not enforce the boycott. While this may be GOL policy, as a practical matter boycott language continues to appear in contract language, and is sometimes enforced, sometimes not. As detailed ref C, for example, a U.S. company was presented with a draft contract by Libya's National Procurement Authority (NPA) containing language requiring the company to acknowledge that it observed a comprehensive boycott of Israel. The language was expansive, barring any business contact with or investment in Israel, and requiring the U.S. company to abide by all laws and decisions related to the AL's boycott action. Representatives of the U.S. company refused to sign the contract; the NPA subsequently removed the boycott-related language in its entirety. To reinforce the decision and avoid potential misunderstanding, the parties agreed on and signed an English-only iteration of the contract. In an additional example, two German firms were reportedly asked to sign letters attesting that they were in compliance with the anti-Israel boycott as a pre-condition for securing required GOL stamps on export documents from the Libyan People's Bureau in Berlin (Libyan Embassy-equivalent).

STEVENS